

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, APRIL 21, 2011**

The regular meeting of the Board of Directors (the “Board”) of the Berks County Convention Center Authority (the “Authority”) was called to order at 7:00 a.m. in the SMG Board Room, the Sovereign Center, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman
Mr. Michael Fiucci
Mr. John Ernesto
Mr. Carl Herbein
Mr. Burlee Adams
Mr. Albert Boscov
Mr. Brian D’Amico

The meeting was chaired by Mr. P. Michael Ehlerman.

Also present:

Mr. Zane Collings, SMG
Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.
Ms. Hope Parkin, SMG
Mr. Matt Salkowski, SMG
Mr. Donald Spatz, Reading Eagle

The Chairman declared that a quorum was present and proceeded with the meeting.

There were no comments from the public.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of February 17, 2011 were unanimously approved.

TREASURER’S REPORT

Mr. Herbein distributed and reviewed the two-month treasury report for the financials of February and March 2011. Mr. Herbein reviewed the opening and closing balances as well as the statements of account of the Authority. Mr. Herbein pointed out that the Authority had a cash balance of just over \$2,000,000.

Mr. Herbein commented that the hotel tax receipts for January and February had increased slightly over the 2010 figures. The hotel tax receipts were approximately \$77,000 for January 2011 as opposed to approximately \$60,000 for January 2010 and approximately \$73,000 for February 2011 as opposed to approximately \$64,000 for February 2010. Mr. Herbein stated

that after 9 months of the fiscal year the hotel receipts are projected to be higher than originally budgeted.

Mr. Herbein stated that a review of the Authority's financial statements through 3/31/11 showed \$8,000 of net income for SPAC as opposed to a budgeted loss of \$87,000 and a loss of \$47,000 for the Convention Center as opposed to a budgeted \$221,000 profit. Mr. Ehlerman commented that these figures included an adjustment that was made to attribute some of the cost-sharing to SPAC due to the fact that currently all Administrative Salary costs are booked to the Convention Center. Finally, Mr. Ehlerman pointed out that while the net income was not positive, the Authority is expected to end the fiscal year with positive cash flow.

Mr. Herbein requested the members of the Authority hold a workshop in the next few weeks to discuss and create the budget for the Authority for fiscal year 2012. The date and time of the meeting will be confirmed via email.

Upon a motion duly made and seconded, it was unanimously moved to approve all the bills paid within the period and to pay all bills listed that had been unpaid during this period as well. Further, upon a motion duly made and seconded, the Treasurer's Report was approved.

SOLICITOR'S REPORT

Mr. Mayer stated that there was no significant legal activity since the last meeting.

MANAGEMENT REPORT

Mr. Collings began his report by addressing the projected loss for the fiscal year. The loss was projected at \$380,000 but will be closer to \$323,000 due to some events performing very well and some additional ticket rebates from Ticketmaster. Mr. Collings said SMG continues to work on advertising and suite sales, and while some smaller advertising accounts have been received, suite sales are stagnant. Mr. Collings commended Mr. Ernesto on a very successful Jazz Fest which set a new record with an increase in ticket sales of 13.5%.

Mr. Collings and Mr. Salkowski proceeded to address operations issues. Mr. Salkowski noted that a broken water pipe caused flooding in the SPAC basement resulting in the removal of the hardwood floors, some drywall damage and the need to lay a new cement floor. In total, the costs of the repairs were approximately \$20,000 and were not covered by insurance since the insurance deductible is \$25,000. Mr. Collings said no immediate capital improvements are being undertaken, but SMG is soliciting bids to repaint the walls in SPAC.

Mr. Collings stated he has received several letters from various different city agencies concerning increased costs. Two such letters stated that the hourly rates for the presence of EMT/Fire and Off-Duty Police personnel at events will increase 28% and 50%, respectively. Mr. Collings has requested meetings with the various departments to discuss these increased costs. SMG is required to maintain the EMT and police presence at events, but cannot afford the increased costs and is looking for alternative methods to address this issue.

Mr. Collings concluded his report by providing the Schedule of Events for the remainder of the calendar year. Mr. Collings finished by providing a general overview of the events planned for the celebration of the 10th anniversary of the Convention Center which will occur on September 6, 2011.

NEW BUSINESS

There was no new business to be discussed.

There being no further business before the Board at the public session, the Chairman announced that the next regular meeting of the Board would be held at the Sovereign Center at 7:00 a.m., Thursday, June 16, 2011. At 8:10 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.